



San Diego City Attorney **MICHAEL J. AGUIRRE**

NEWS RELEASE

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TOUCHDOWN! CITY SCORES \$1.625 MILLION FROM INSURER; CITY ATTORNEY SETTLES CASE INVOLVING REVENUE LOSSES FROM 2003 CHARGERS GAME *Cedar Fire Forced Game to Relocate to Arizona*

San Diego, CA— Two days after a big win by the San Diego Chargers, San Diego City Attorney Michael Aguirre announced a \$1.625 million settlement to resolve a breach of contract claim against the City's insurer when it refused to cover revenue losses from a 2003 Charger game that had to be moved to Arizona because of the Cedar fire. The City's insurer is Lexington Insurance, a subsidiary of financial giant American International Group, (AIG).

"This was an important fight, as we expect companies that issue insurance policies to the City to honor our claims," said City Attorney Aguirre.

This morning, the City Council unanimously approved the settlement.

During the Cedar fire of October 2003, the Monday Night Football game between San Diego Chargers and the Miami Dolphins scheduled to be played in San Diego on October 27, 2003 was moved to Arizona. The City made the decision, stating that Qualcomm Stadium could not be used due to a significant accumulation of ash caused by the fire, which could jeopardize the health and welfare of the spectators and players.

According to the City's sports consultants, (Barrett Sports Group), the City lost an estimated \$550,000 in business revenue when the game was moved to Arizona. Several months after the Cedar fire, the City submitted a number of claims to its insurer. While some of those claims were paid, Lexington denied the claim for the loss of business revenue.

On November 16, 2006, the City Attorney's Office filed a breach of contract and bad faith claim in San Diego Superior Court against Lexington. However, the counsel for Lexington moved the case to the United District Court, *City of San Diego v. Lexington Insurance Company*, Case No. 07CV-0475 DMS (NLS). The civil lawsuit was prosecuted on a contingency fee basis by Harvey Levine and Craig Miller of Levine, Steinberg, Miller and Huver.

Since 2005, the City Attorney's Office has recovered \$22,500,000 in settlements from bad faith cases for the City of San Diego.

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